## 45.603

States, any political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, any agency or instrumentality of any of the foregoing, any Indian tribe, or any agency of the Federal Government.

Real property (see 45.101).

Reportable property, as used in this subpart, means contractor inventory that must be reported for screening in accordance with this subpart before disposition as surplus.

Reporting activity, as used in this subpart, means the Government activity that initiates the Standard Form 120, Report of Excess Personal Property (or when acceptable to GSA, by data processing output).

Salvage (see 45.501).

Scrap (see 45.501).

Screening completion date, as used in this subpart, means the date on which all screening required by this subpart is to be completed. It includes screening within the Government and the donation screening period.

Serviceable or usable property, as used in this subpart, means property that has a reasonable prospect of use or sale either in its existing form or after minor repairs or alterations.

Special test equipment (see 45.101).

Special tooling (see 45.101).

*Surplus property,* as used in this subpart, means contractor inventory not required by any Federal agency.

Surplus Release Date (SRD), as used in this subpart, means the date on which screening of personal property for Federal use is completed and the property is not needed for any Federal use. On that date, property becomes surplus and is eligible for donation.

Termination inventory, as used in this subpart, means any property purchased, supplied, manufactured, furnished, or otherwise acquired for the performance of a contract subsequently terminated and properly allocable to the terminated portion of the contract. It includes Government-furnished property. It does not include any facilities, material, special test equipment, or special tooling that are subject to a separate contract or to a special contract requirement governing their use or disposition.

Work-in-process (see 45.501).

### **45.602** [Reserved]

## 45.603 Disposal methods.

An agency may exercise its rights to require delivery of any contractor inventory. This includes transfers of Government property to another Government contract. If the agency does not exercise these rights, the contractor inventory shall be disposed of by one of the following methods in the priority indicated:

- (a) Purchase or retention at cost by prime contractor or subcontractor of contractor-acquired property (see 45.605-1).
- (b) Return of contractor-acquired property to suppliers (see 45.605-2).
- (c) Use within the Government through the use of prescribed screening procedures (see 45.608).
- (d) Donation to eligible donees (see 45.609).
- (e) Sale (including purchase or retention at less than cost by the prime contractor or subcontractor) (see 45.610).
- (f) Donation to public bodies in lieu of abandonment (see 45.611).
- (g) Abandonment or destruction (see 45.611).

[48 FR 42392, Sept. 19, 1983, as amended at 59 FR 67054, Dec. 28, 1994]

# 45.604 Restrictions on purchase or retention of contractor inventory.

A contractor's or subcontractor's authority to purchase, retain, or dispose of contractor inventory is subject to any contract provisions and to applicable Government restrictions on the disposition of property that is classified for security reasons, possesses military offensive or defensive characteristics, or is dangerous to public health, safety, or welfare.

## 45.605 Contractor-acquired property.

## 45.605-1 Purchase or retention at cost.

(a) The plant clearance officer shall encourage contractors to purchase or retain contractor-acquired property at cost. However, the contractor shall not include any part of the cost of property purchased or retained in any claim for reimbursement against the Government. Under cost-reimbursement contracts, appropriate adjustments shall be made for previously reimbursed